

Updated Off-Payroll guidance indicates a delay is not on the cards: expert warns preparation is key

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Following the publication of guidance documents from HMRC relating to amendments to the Finance Bill 2021, specialist insurance broker, Kingsbridge, has warned that the changes to close loopholes in the legislation indicate that a further extension of the IR35 roll out is not on the cards.

Andy Vessey, Head of Tax at Kingsbridge explained why this latest news means preparation is key:

“While it was disappointing to see that the Chancellor didn’t cover the technical changes in relation to Off-Payroll and the Finance Bill in his Budget, we do welcome the changes themselves. As outlined in HMRC Guidance the revisions close loopholes which presented a challenge across the supply chain as a result of confusion surrounding the definition and role of an intermediary. The further clarification regarding status determination statements (SDS) responsibilities also clears up a grey area that had the potential to catch people out in the long-term due to a mis-understanding regarding risk and responsibility.

“The fact that it is now abundantly clear that the client remains responsible for an SDS even if they sub-contract these determinations places greater pressure on hirers to ensure these are being accurately assessed. The confirmation that these amends will be made clarifies in our mind that the roll out of IR35 into the private sector – and introduction of changes into the public sector – will go ahead on 6th April 2021 without delay. Although there are calls being made to once again extend the deadline due to the on-going impact of the pandemic, contractors, recruiters and end-hirers must prepare regardless. Failure to do so will present a significant risk to the entire contractor supply chain should anyone be found to be operating non-compliantly.”

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